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1 BEFORE THE ARIZONA CORPORATION COMMISSION DOCKETED 2 WILLIAM A. MUNDELL **CHAIRMAN** 3 FFB 1 6 2001 JIM IRVIN COMMISSIONER 4 MARC SPITZER DOCKETED BY COMMISSIONER 5 ARIZONA CORPORATION COMMISSION, DOCKĚT NO. G-00000A-99-0370 6 COMPLAINANT 7 V. DECISION NO. 63367 8 SWISSPORT FUELING, INC.; ARIZONA FUELING FACILITIES CORPORATION, 9 RESPONDENTS OPINION AND ORDER 10 DATE OF PRE-HEARING CONFERENCE: September 18, 2000 11 DATE OF HEARING: September 21, 2000 and January 10, 2001 12 PLACE OF HEARING: Phoenix, Arizona 13 ADMINISTRATIVE LAW JUDGE: Mr. Stephen Gibelli 14 APPEARANCES: Mr. Robert Metli, Staff Attorney, Legal 15 Division, on behalf of the Utilities Division of the Arizona Corporation Commission; 16 Mr. Richard Sallquist, SALLQUIST AND 17 DRUMMOND, P.C., and Mr. James H. Marburger, GUST ROSENFELD, P.L.C., on 18 behalf of Swissport Fueling, Inc.; and 19 Mr. Raymond S. Heyman, ROSHKA HEYMAN AND DEWULF, P.L.C. on behalf of Arizona 20 Fueling Facilities Corporation. 21 BY THE COMMISSION: 22 In May 1997, a leak occurred in the vicinity of Sky Harbor International Airport ("Sky 23 Harbor") in Phoenix, Arizona on a jet fuel distribution system owned by Arizona Fueling Facilities 24 Corporation ("AFFC") and maintained by Swissport Fueling, Inc., ("Swissport") formerly known as 25 DynAir Fueling, Inc. (collectively "Respondents"). The system is comprised of: (i) a remote jet fuel receiving and storage facility at the West Van Buren Tank Farm, located at 55th Avenue and Van 26 27 Buren Street; (ii) an approximately 11.4-mile, 10-inch pipeline to transport the jet fuel to Sky Harbor;

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(iii) an on-airport jet fuel tank farm; and (iv) various pumps, filters, pipes, and related equipment to

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distribute the jet fuel at Sky Harbor.

On February 1, 2000, the Utilities Division Staff ("Staff") of the Arizona Corporation Commission ("Commission") issued a Staff Report which contended that Respondents had not initiated an effective program for operating and maintaining the hazardous liquid fuel hydrant pipeline system in compliance with the minimum State and Federal Hazardous Liquid Pipeline Safety Standards.

On February 17, 2000, the Commission issued in Decision No. 62304, a Complaint and Order to Show Cause ("Complaint") to Swissport and AFFC.

On February 28, 2000, Staff filed a Request for Procedural Order.

On March 9, 2000, a Procedural Order was issued setting the matter for hearing on June 21, 2000.

On May 10, 2000, Swissport and AFFC filed their respective Answers to the Complaint brought by Staff.

On June 2, 2000, Staff and AFFC filed a Joint Motion to Continue the hearing date and the procedural deadlines for a period of 90 days as a result of a settlement between Staff and AFFC.

On September 21, 2000, a hearing was held on the proposed settlement agreement between Staff and AFFC.

On November 29, 2000, Staff filed a settlement agreement between Staff and Swissport.

On December 4, 2000, a Procedural Order was issued setting the matter of the settlement between Staff and Swissport for hearing on January 10, 2001.

On January 10, 2001, a hearing was held on the settlement agreement between Staff and Swissport. The matter was then taken under advisement pending submission of a Recommended Opinion and Order to the Commission.

Having considered the entire record herein and being fully advised in the premises, the Commission finds, concludes, and orders that:

FINDINGS OF FACT

AFFC is an Arizona corporation that owns a jet fuel distribution system comprised of:

(i) a remote jet fuel receiving and storage facility at the West Van Buren Tank Farm, located at 55th					
Avenue and Van Buren Street; (ii) an approximately 11.4-mile, 10-inch pipeline to transport the jet	t				
fuel to Sky Harbor; (iii) an on-airport jet fuel tank farm; and (iv) various pumps, filters, pipes, and					
related equipment to distribute the jet fuel at Sky Harbor.					

- 2. Swissport is a foreign corporation and an independent contractor which operates and maintains the fuel system.
 - 3. The fuel system is used to transport jet fuel to the airport.
- 4. In May 1997, a liquid leak accident was detected on the fuel system owned by AFFC and operated by Swissport at Sky Harbor.
- 5. Staff investigated the leak, and discovered what they believed to be several noncompliance issues pertaining to the Code of Federal Regulations ("CFR"), Part 195, and to the Arizona Administrative Code ("A.A.C.") R14-5-203.
- 6. On February 17, 2000, in Decision No. 62304, a Complaint and Order to Show Cause was issued upon Swissport and AFFC.
 - 7. Staff's seven count Complaint and Order to Show Cause alleged that:
 - (a) the Respondents are required to detect abnormal operating conditions, and to transmit this data to an attended location where personnel are located who can take corrective action;
 - (b) the Respondents failed to file a timely accident report;
 - (c) the Respondents had no qualified welding procedure in place for the repair;
 - (d) the Respondents failed to maintain corrosion protection on the area of the pipe, which experienced the leak;
 - (e) the Respondents failed to maintain records showing the maximum operating pressure of the pipeline;
 - (f) the Respondents failed to conduct diligent security patrols; and,
 - (g) the Respondents failed to file a timely written report with the Commission.
- 8. On May 10, 2000, AFFC and Swissport filed Answers to the Complaint and Order to Show Cause.
 - 9. AFFC and Swissport both contended that the Commission lacked jurisdiction over

1	them.	경기로 보고 있는 것이 되었다. 나는 그는 사람들은 이 보고 있는 것이 되었다. 그는 그는 것이 되었다는 것이 되었다. 기본 사람들은 사람들은 사람들은 사람들은 사람들은 사람들은 사람들은 사람들은		
2	10.	10. On June 2, 2000, AFFC and Staff entered into a Settlement Agreement which is		
3	attached hereto as "Exhibit B" and incorporated by reference.			
4	11.	As part of the settlement agreement between AFFC and Staff, AFFC:		
5		(1) will not contest the limited jurisdiction of the Commission over the fuelin system solely for the purposes of:		
7		 adopting safety standards, rules, and regulations (collectively referre to as "safety standards"); 		
8		(ii) inspections based upon the safety standards; and		
9		(iii) enforcement of the safety standards;		
10 11	(2) will contribute \$15,000 to the Pipeline Revolving Fund for the purpose of enhancing public safety through education;		
12	(3) will increase the amount and frequency of inspection and maintenance of th fueling system;		
13	(4) will inform the Commission of any future leaks; and,		
14 15	(5) will continue to brief the Commission on the clean-up efforts undertaken in connection with the leak.		
16	12. (On November 28, 2000, Swissport and Staff entered into a Settlement Agreemen		
17	which is attached hereto as "Exhibit A" and is incorporated by reference.			
18	13. As part of the settlement agreement between Swissport and Staff, Swissport:			
19	•	 will not contest the limited jurisdiction of the Commission over the fueling system solely for the purposes of: 		
20 21		(i) adopting safety standards, rules, and regulations (collectively referred to as "safety standards");		
22		(ii) inspections based upon the safety standards; and		
23		(iii) enforcement of the safety standards;		
24	(2) will contribute \$50,000 to the Pipeline Revolving Fund for the purpose of enhancing public safety through education; and,		
25	(will increase the amount and frequency of inspection and maintenance of the fueling system. 		
26	14. Т	The safety standards in the agreements between Staff, AFFC, and Swissport are se		
27	forth in a voluminous operations and maintenance manual (the "Guidance Document") as a result of			
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mutual negotiations between AFFC, Swissport, and Staff. 1 2 As a result of this leak, there is currently a plume of fuel in the soil in the vicinity of 15. Sky Harbor. The plume is currently being removed and AFFC will be cleaning up the surrounding 4 16. soil as well. The total time frame for cleanup is between three and five years. 5 The plume does not pose a threat to any wells according the Arizona Department of 6 17. Environmental Quality. 8 **CONCLUSIONS OF LAW** For the purposes of these Settlement Agreements, attached as Exhibits A and B, the 9 Commission has jurisdiction over the Respondents and the subject matter of the Complaint in the 10 11 State of Arizona. These Settlement Agreements are in the public's best interest since they will enhance 12 2. public safety through the Guidance Document and will provide both the owner and the operator of 13 the system with clear, definitive procedures for the operation of the system. 14 ORDER 15 IT IS THEREFORE ORDERED that the attached Settlement Agreements, Exhibits A and B 16 17 are adopted. 18 19 20 21 22 23 24 25 26

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1	IT IS FURTHER ORDERED that the Order to Show Cause against Swissport Fueling, Inc			
2	and Arizona Fueling Facilities Corporation be dismissed with prejudice.			
3	IT IS FURTHER ORDERED that this Decision shall become effective immediately.			
4	BY ORDER OF THE ARIZONA CORPORATION COMMISSION.			
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6	Willimbell John has a Nezh			
7	CHAIRMAN COMMISSIONER COMMISSIONE			
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9	IN WITNESS WHEREOF, I, BRIAN C. McNEIL, Executive			
10	Secretary of the Arizona Corporation Commission, has hereunto set my hand and caused the official seal of the			
11	Commission to be affixed at the Capitol, in the City of Phoeni this \(\frac{1}{2} \) day of \(\frac{1}{2} \) day of \(\frac{1}{2} \) (2001.			
12				
13	BRIAN C. McNEIL			
14	ÉXECUTIVE SECRETARY			
15	DISSENT			
16	SG:bbs			
17	보는 사람들이 되었다. 그는 사람들이 마음이 다음이 하는 것이 되었다는 것이 되었다는 것이 되었다. 사용장의 사용에 가장 하는 것이 사용장의 전략을 받는 것이 되었다. 사용장의 사용장의 사용장의 기업을 받는 것이 되었다.			
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19	- 이 기업도 가게 된 경험에는 그 사람들이 함께 생물이 되었다. 그런 그런 경험이 이번 이 이 기업을 하고 있는데 하는데 이렇게 되었다. - 이번 기업을 받았다 이 전문 가게 물리로 사용하는 그렇게 그런데 이 사용이 되었다면서 보고 있다.			
20				
21	요시합의 경기 보다 아들은 그 말한 시간인 보네. 발표 마음 나보다가 보고 보고 보고 하는 것은 사람들이 되었 또 보일에 가장 없는 아들은 물리가 하셨다는 얼굴한데 하고 있는 것이다.			
22	에 이 보고 있는 경기에 들어보고 있는 것이다. 이 기계에 되는 것은 사람들이 되고 있는 것이 되었다. 그는 것이 되었다는 것이다. 생물이 가장 사람들은 것이 되어 할 것들이 되었다. 생물을 하지 않아 있는 것을 하고 있다. 그를 가장 하는 것이 되었다.			
23	요			
24	의 실종 등 한 경험 전에 보는 사람들은 모든 모든 물로 되었다. 그는 사람들이 되는 것을 보는 것을 보는 것을 받는 것을 받는 것을 보는 것을 보는 것을 받는 것을 보는 것을 보는 것을 보는 것 			
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27	다. 이 그렇게 되는 것도 보고 있는 것이 하면 전투 가장 한다는 이 사이트로 하는 것을 보고 있는 것을 보고 있다. 그렇게 되었다고 있다. 그렇게 하는 그는 어느로 있는 이 기가로 가장이 들어 가게 되었다. 그는 그 그 그 그 그 그 그 것을 보고 있다. 그 그 그 그 그 그 그 그 그 그 그 그 그 그 그 그 그 그 그			

1	SERVICE LIST FOR:	ACC VS. SWISSPORT FUELING, INC.; ARIZONA
2		FUELING FACILITIES CORPORATION
3	DOCKET NO.	G-00000A-99-0370
4 5 6	Raymond S. Heyman J. Matthew Derstine ROSHKA HEYMAN AND DEWULF, PLO Two Arizona Center 400 North 5 th Street, Suite 1000 Phoenix, Arizona 85004 Attorneys for Arizona Fueling Facilities Cor	
8 9 10	Daniel L. Muchow, Esq. QUARLES AND BRADY, LLP One East Camelback Road, Suite 400 Phoenix, Arizona 85012-1649 Counsel for Arizona Fueling Facilities Corp	oration
11 12 13	Richard L. Sallquist, Esq. SALLQUIST AND DRUMMOND, P.C. 2525 East Arizona Biltmore Circle, Suite 11 Phoenix, Arizona 85016-2129 Counsel for Swissport Fueling, Inc.	7
14 15 16	James H. Marburger Gust Rosenfeld PLC 201 North Central, Suite 3300 Phoenix, Arizona 85073-3300 Attorneys for Swissport Fueling, Inc.	
17 18 19	Shiela Hagar Statutory Agent Arizona Fueling Facilities Corporation 4200 East Airline Drive Phoenix, Arizona 85034	
20 21	Corporation Service Company 3636 North Central Ave. Phoenix, Arizona 85012 Statutory Agent for Swissport Fueling, Inc.	
22232425	Christopher Kempley, Chief Counsel Robert Metli Legal Division ARIZONA CORPORATION COMMISSIO 1200 West Washington Street Phoenix, Arizona 85007	${f N}$
26 27 (28	Deborah Scott, Director Utilities Division ARIZONA CORPORATION COMMISSIO 1200 West Washington Street Phoenix, Arizona 85007	${f N}$
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EXHIBIT A

SETTLEMENT AGREEMENT, WAIVER AND RELEASE

This Settlement Agreement, Waiver and Release (the "Agreement") is entered into between Swissport Fueling, Inc. ("Swissport"), formerly known as DynAir Fueling, Inc., and the Arizona Corporation Commission (the "Commission") Utilities Division ("Commission Staff") effective as of the 28th day of November, 2000 ("the Effective Date").

RECITALS

- A. Swissport is a Delaware corporation that operates the fuel facilities at Sky Harbor International Airport in Phoenix, Arizona, pursuant to a contract with the Arizona Fueling Facilities Consortium ("AFFC"). These facilities include a remote jet fuel receiving and storage facility, a jet fuel transportation pipeline to transport the jet fuel from the remote facility to Sky Harbor, a fuel storage facility at Sky Harbor and a jet fuel hydrant system serving the passenger terminals at Sky Harbor (collectively referred to as the "fueling system").
- B. The Commission is an agency of the State of Arizona with principal offices in Phoenix,

 Arizona.
- C. On or about February 15, 2000, following an open meeting of the Commission, the Commission issued Decision No. 62304 (the "Decision"), which ordered that Swissport and AFFC appear before the Commission at a time and place designated by the Commission and show cause, if any, why the Commission should not grant the relief requested in a Complaint and Order to Show Cause ("OSC") against the respondents alleging violations of Arizona Administrative Code R14-5-201, et seq.

- D. On or about March 9, 2000, the Commission issued a Procedural Order establishing a schedule for the OSC proceeding, which included the setting of a hearing to commence on June 21, 2000.
- E. On or about April 27, 2000, Swissport and AFFC filed an appeal of the Decision to the Superior Court of Arizona, pursuant to Arizona Revised Statutes, Section 40-254 (the "Superior Court Appeal") claiming, inter alia, that the Commission lacked jurisdiction over (a) Swissport and AFFC; and (b) Swissport and AFFC's alleged conduct.
- F. On May 10, 2000, Swissport filed its answer to the OSC with the Commission.

 Additionally, Swissport and Commission Staff have exchanged information and documents related to the OSC and Swissport's defense thereof.
- G. The terms and conditions of the contract between Swissport and AFFC provide AFFC with the authority to direct and control Swissport's operation of the fueling system, including Swissport's compliance with applicable laws and regulations.
- H. On June 2, 2000, the Commission Staff and AFFC entered into a Settlement Agreement, Waiver and Release resolving all claims between Commission Staff and AFFC, subject to the approval of the Commission.
- I. Swissport and Commission Staff now wish to resolve the OSC in accordance with the terms and conditions of this Agreement.

COVENANTS

NOW, THEREFORE, in consideration of the covenants contained herein, Swissport and the Commission Staff agree as follows:

1. Swissport will not contest limited jurisdiction of the Commission over the fueling system solely for the purposes of:

- a) adopting safety standards, rules and regulations (collectively referred to as "safety standards");
- b) inspections based upon the safety standards; and
- c) enforcement of the safety standards.
- In accordance with the terms and conditions of its contract with AFFC, and as authorized by the AFFC, Swissport agrees to retain the services of a trained and qualified corrosion specialist and to hire additional trained and qualified maintenance staff in order to increase the amount and frequency of inspection and maintenance of the fueling system. The retention of said personnel is intended to comply with requirements set forth in the Operations and Maintenance Manual for Remote Fuel Storage Facility and Pipeline and the Operations and Maintenance Manual for Airport Fuel Storage Facility and Hydrant System (hereafter, collectively, "the Operations and Maintenance Manuals") which are manuals containing safety standards mutually approved by AFFC and the Commission Staff in accordance with the settlement between those parties.
- 3. This Agreement is subject to the approval of the Commission. In the event the Commission approves an amended version of this Agreement, Swissport shall have the right to rescind this agreement.
- 4. This Agreement and any Commission decision and order related thereto shall specifically provide that it is applicable only to the State of Arizona and shall not apply to any other U.S. or foreign airport.
- 5. Upon approval of this agreement by Swissport and the Commission Staff, as well as approval of the Operations and Maintenance Manuals by AFFC and the

Commission Staff, the Commission Staff will support that the Commission dismiss the OSC, with prejudice. In the event that Swissport is not dismissed with prejudice from the OSC, this agreement is null and void.

- 6. After such time the Commission orders the OSC be dismissed, with prejudice, the parties agree that the Superior Court Appeal will be most and will jointly move to dismiss the Superior Court Appeal, with prejudice.
- After such time the OSC and the Superior Court Appeal are dismissed with 7. prejudice, Swissport hereby releases, waives and forever discharges the Commission and the Commission likewise releases, waives and forever discharges Swissport, its present and former shareholders, officers, and directors, and any person presently or formerly controlling it, from any and all rights, actions, claims, damages, causes of action, suits of any kind, expenses or costs (including attorney's fees and costs and expert witness fees), whether liquidated or unliquidated, direct or consequential, known or unknown to both parties, or whatever nature, now existing or based on prior events, arising out of any act or omission that occurred prior to the Effective Date of this Agreement, including but not limited to any alleged act or omission set forth in the OSC. This release shall not apply to any breach of this Agreement, regardless of when such breach may have occurred. The Commission must approve the releases and waivers referenced in this paragraph. If the Commission does not approve such releases and waivers, this agreement is null and void.
 - 8. This Agreement and all provisions hereof, including all representations and promises contained herein, are contractual and not a mere recital and shall

continue unless modified by subsequent mutual agreement. The terms and conditions contained herein constitute the entire agreement between the parties and supersede all previous communications, either oral or written, between the parties with respect to the subject matter of this Agreement, and no agreement or understanding modifying or extending the terms of this Agreement shall be binding upon either party unless in writing signed by or on behalf of such party. This Agreement shall be governed by and construed in accordance with the laws of the State of Arizona. The Commission must ultimately approve this Agreement or this Agreement is null and void.

- 9. Nothing contained in this Agreement shall be construed in any manner as an admission by Swissport that it has violated any statute, law or regulation, breached any contract or agreement, or has engaged in any wrongful conduct whatsoever. This agreement shall not be entered or otherwise used by any party in any proceeding as evidence of liability or wrongdoing of any kind by Swissport.
- This Agreement shall be binding upon the parties hereto and their respective successors and assigns.
- 11. Upon the issuance of a Commission order approving this Agreement, Swissport will contribute \$50,000 to be deposited into the Pipeline Revolving Fund, to be used for the purpose of enhancing pipeline safety, through education, in the State of Arizona, payment of which will not be construed as a fine, penalty, or as an admission by Swissport of any wrongdoing.

The Staff acknowledges that Swissport has satisfactorily responded to the ten 12. items identified by the ACC as alleged "probable noncompliance items" during the 1999 Code Compliance Audit, and Swissport agrees to act in conformity with its responses after approval of this Agreement.

Dated this 28th day of November, 2000.

ARIZONA CORPORATION COMMISSION

Dated this 27th day of November 2000.

SWISSPORT FUELING, INC

EXHIBIT B

SETTLEMENT AGREEMENT, WAIVER AND RELEASE

This Settlement Agreement, Waiver and Release (the "Agreement") is entered into between Arizona Fueling Facilities Corporation, an Arizona corporation ("AFFC") and the Arizona Corporation Commission (the "Commission") Utilities Division ("Commission Staff") effective as of the ____ day of ____, 2000.

RECITALS

- AFFC is an Arizona corporation that owns the fuel facilities at Sky Harbor International Airport ("Sky Harbor") in Phoenix, Arizona. These facilities include a remote jet fuel receiving and storage facility, a jet fuel transportation pipeline to transport the jet fuel from the remote facility to Sky Harbor, a fuel storage facility at Sky Harbor and a jet fuel hydrant system serving the passenger terminals at Sky Harbor (collectively, the "fueling system").
- The Commission is an agency of the State of Arizona with principal offices in B. Phoenix, Arizona.
- On February 15, 2000, following an open meeting of the Commission, the C. Commission issued Decision No. 62304 (the "Decision") which ordered that AFFC and DynAir Fueling, Inc. ("DynAir") appear before the Commission at a time and place designated by the Commission and show cause, if any, why the Commission should not grant the relief requested in a Complaint and Order to Show Cause ("OSC") against the respondents alleging violations of Arizona Administrative Code R14-5-201, et seq.

DECISION NO. 63367

- D. On March 9, 2000, the Commission issued a Procedural Order establishing a schedule for the OSC proceeding including the setting of a hearing to commence on June 21, 2000.
- E. On April 27, 2000, AFFC and DynAir filed an appeal of the Decision to the Superior Court of Arizona, pursuant to Arizona Revised Statutes, Section 40-254 claiming, among other things, that the Commission lacked jurisdiction over (a) AFFC and DynAir, and (b) AFFC and DynAir's alleged conduct (the "Superior Court Appeal").
- F. On May 10, 2000, AFFC filed its answer to the OSC with the Commission.

 Additionally, AFFC and Commission Staff have exchanged data and documents related to the OSC and AFFC's defense thereof.
- G. AFFC and Commission Staff now desire to resolve the OSC in accordance with the terms and conditions of this Agreement.

COVENANTS

NOW, THEREFORE, in consideration of the covenants contained herein, AFFC and the Commission Staff agree as follows:

- 1. AFFC will not contest limited jurisdiction of the Commission over the fueling system solely for the purposes of:
 - a) adopting safety standards, rules and regulations (collectively referred to as "safety standards");
 - b) inspections based upon the safety standards; and
 - c) enforcement of the safety standards.

The safety standards applicable to the fueling system will be determined 2. mutually between AFFC and the Commission Staff.

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- The safety standards, including an emergency plan, shall be set forth in a 3. revised operation and maintenance manual(s) (the "Guidance Document") that will be the result of mutual negotiations between AFFC and the Commission Staff. The fuel system operator shall be required, by contract, to comply with the Guidance Document. The Guidance Document will include provisions governing the conduct alleged in Counts I-VII of the OSC. AFFC shall, within thirty (30) days after the execution of this Agreement, cause its operator to: (a) file with Commission Staff proof that the welding procedure referenced in Count III of the OSC and that is currently in place has been qualified; and (b) submit to the Commission Staff a letter indicating that the pipeline has been tested as referenced in Count V of the OSC (collectively the "Corrective Actions"). The cost and expense of preparing and developing the Guidance Document as well as the cost of completing the Corrective Actions, estimated to be approximately \$60,000.00, will be borne by AFFC and, with Commission approval, will be recognized as a contribution by AFFC to the settlement of the OSC, in lieu of a penalty.
- The Guidance Document will contain the requirements of Title 49, Part 4 195, of the U.S. Code of Federal Regulations (CFR) and Arizona Administrative Code, (AAC) Article 2 to the extent that AFFC and the Commission Staff murually agree that such standards are applicable to the fueling system. In addition, the Guidance Document will contain additional provisions, which may include incorporation by reference to applicable industry standards promulgated by such entities as the American Petroleum Institute (API), the American Society for Testing Materials (ASTM), the American

Society of Mechanical Engineers (ASME), the National Fire Protection Association (NFPA) and/or the American National Standards Institute (ANSI).

- 5. AFFC and Commission Staff hereby agree to negotiate in good faith and work together to approve and finalize the Guidance Document within sixty (60) days after the signing of this Agreement. During such sixty (60) day period, Commission Staff agrees to support the postponement of the hearing originally scheduled to begin on June 21, 2000. In the event that a postponement is authorized, AFFC agrees, to the extent permissible under the Arizona Rules of Civil Procedure, to withhold prosecution of the Superior Court Appeal.
- of a trained and qualified corrosion specialist and significantly increase the number of trained and qualified maintenance staff in order to increase the amount and frequency of inspection and maintenance of the fueling system to comply with the requirement set forth in the Guidance Document. The cost for these increased personnel is anticipated to be in excess of \$275,000 for the first year. Upon Commission approval, such cost will be increased as a contribution by AFFC to the settlement of the OSC, in lieu of a penalty.
- 7. This Agreement is subject to the approval of the Commission. In the event the Commission approves an amended version of this Agreement; AFFC shall have the right to rescind this Agreement.
- 8. This Agreement and any Commission decision and order related thereto shall specifically provide that it is applicable only to the State of Arizona and shall not apply at any other U.S. or foreign airport.

- 9. This Agreement is subject to the approval of the AFFC Board of Directors.
- After such time as the parties have mutually approved the Guidance

 Document and the Corrective Actions have been completed, Staff will support that the

 Commission dismiss the OSC, with prejudice. In the event that AFFC is not dismissed

 from the OSC, this agreement is null and void.
- Il. After such time as the parties have mutually approved the Guidance Document, the Corrective Actions have been completed and the Commission orders the OSC be dismissed, with prejudice, the parties agree that the Superior Court Appeal will be most and will jointly move to dismiss the Superior Court Appeal, with prejudice.
- Document, the Corrective Actions have been completed and the OSC and the Superior Court Appeal are dismissed with prejudice, AFFC hereby releases, waives and forever discharges the Commission and the Commission likewise releases, waives and forever discharges AFFC, its shareholders, officers, and directors, from any and all rights, actions, claims, damages, causes of action, suits of any kind, expenses or costs (including attorneys' fees and costs and expert witness fees), whether liquidated or unliquidated, direct or consequential, known or unknown to both parties, or whatever nature, now existing or based on prior events, arising out of any act or omission that occurred prior to the effective date of this Agreement, including but not limited to any alleged act or omission set forth in the OSC. This release shall not apply to any breach of this Agreement, regardless of when such breach may have occurred. The Commission must

approve the releases and waivers referenced in this paragraph. If the Commission does not approve such releases and waivers, this agreement is null and void.

- and promises contained herein, are contractual and not a mere recital and shall continue unless modified by subsequent mutual agreement. The terms and conditions contained herein constitute the entire agreement between the parties and supercede all previous communications, either oral or written, between the parties with respect to the subject matter of this Agreement, and no agreement or understanding modifying or extending the terms of this Agreement shall be binding upon either party unless in writing signed by or on behalf of such party. This Agreement shall be governed by and construed in accordance with the laws of the State of Arizona. The Commission must ultimately approve this Agreement or this Agreement is null and void.
- 14. Nothing contained in this Agreement shall be construed in any manner as an admission by AFFC that it has violated any statute, law or regulation, breached any contract or agreement, or has engaged in any wrongful conduct whatsoever.
- 15. This Agreement shall be binding upon the parties hereto and their respective successors and assigns.
- Upon the issuance of a Commission order approving the Agreement,

 AFFC will pay \$15,000 to be deposited into the Pipeline Revolving Fund, to be used for
 the purpose of enhancing pipeline safety, through education, in the State of Arizona,
 payment of which will not be construed as an admission by AFFC of any wrongdoing.
- 17. AFFC has briefed the Commission Staff on the clean-up efforts to date undertaken in connection with the leak referenced in the OSC. A summary of reports

AFFC has provided to Commission Staff is attached hereto as Exhibit A. AFFC shall continue to brief the Commission Staff, not less than semi-annually, on the status of clean-up efforts required by the Arizona Department of Environmental Quality.

DATED this 2 day of June 2000.

ARIZONA CORPORATION COMMISSION

DATED this 2 day of Jule, 2000.

ARIZONA FUELING FACILITIES CORPORATION, an Arizona corporation.